



Missouri Department of Natural Resources

MINUTES MISSOURI SOIL AND WATER DISTRICTS COMMISSION DNR CONFERENCE CENTER JEFFERSON CITY, MISSOURI February 17, 2005

COMMISSION MEMBERS PRESENT: John Aylward, Elizabeth Brown, Larry Furbeck, Leon Kreisler, and Philip Luebbering.

Mr. Luebbering arrived later in the meeting.

EX-OFFICIO MEMBERS: DEAN THOMAS PAYNE, UNIV. OF MISSOURI: David Baker; JOHN HOSKINS, DEPT. OF CONSERVATION: Brad McCord; FRED FERRELL, DEPT. OF AGRICULTURE: Dan Engemann; DOYLE CHILDERS, DEPT OF NATURAL RESOURCES: Scott Totten

ADVISORY MEMBERS PRESENT: SOIL & WATER CONSERVATION PROGRAM: Sarah Fast; NRCS: Roger Hansen; MASWCD: Steve Oetting

STAFF MEMBERS PRESENT: Davin Althoff, Gary Baclesse, Milt Barr, Jim Boschert, April Brandt, Chris Evans, Noland Farmer, Rose Marie Hopkins, Gina Luebbering, Joyce Luebbering, Dean Martin, Theresa Mueller, Marcy Oerly, James Plassmeyer, Josh Poynor, Jeremy Redden, Ron Redden, Judy Stinson, Ken Struemp, Lindsay Tempinson, Chris Wieberg, Bill Wilson

OTHERS PRESENT: LEGISLATORS: Representative John Quinn; **DISTRICTS:** CALDWELL: Shawn Coats, Craig Wilkerson; FRANKLIN: Laura McKeever; MILLER: Lisa Tellman, Bonnie Pryor; RAY: Jon Dana; Stephanie Ross, TANEY: Kathryn Braden; **STATE OF MISSOURI: ATTORNEY GENERAL'S OFFICE:** Zora Mulligan; DEPT. OF CONSERVATION: Lisa Allen; DEPT. OF NATURAL RESOURCES: Pam Bax, Aimee Davenport; **OTHERS:** FAPRI: Dr. Verel W. Benson; CARES: Bryan Mayhan; MLICA: Eddie Gilmore; NRCS: Peggy Lemons, Dennis Potter; UNIVERSITY of MISSOURI: John Bowders, Randy Miles, **INDIVIDUALS:** Bobby Clevenger, Steve Clevenger

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A. CALL TO ORDER

Chairman Elizabeth Brown called the meeting to order at the DNR Conference Center in Jefferson City, Missouri, in the Bennett Spring/Roaring River Room at 8:34 a.m.

B. MINUTES OF THE LAST MEETING

Larry Furbeck made a motion to approve the minutes of the January 25, 2005 commission meeting as mailed. John Aylward seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

C. PLANNING

1. Budget Update

Milt Barr presented an update of FY05 revenue and expenditures for the first six months, discussed projected revenue rates, expenditures and issues for FY06, and covered the budget process.

In comparing the first six months of revenue deposits for the Soils Sales Tax, FY05 deposits totaled \$19,037,186 compared to \$18,745,429 for the same period of FY04. The monthly breakdown for FY05 showed a consistency with three months showing higher revenue deposits compared to FY04. August showed an unusually good increase, which could have been additional overall sales activity caused by the selective sales tax holiday.

The planning projection for FY05 was 4.5 percent, but the rate of change for FY05 over FY04 was only 1.5 percent or net increase of \$291,758. This was also lower than the Department of Revenue's 2.3 percent reported rate for the period. It should be noted however that the SWCP deposits are net of refunds and so reported collection rates will always be higher. Also noted that a year ago the mid year rate was about 1.7 percent but FY04 ended with a 4.02 percent rate increase so we will have to wait and see what the end of year brings for FY05.

The Governor's projections for general sales and use tax change rate for FY05 was 3.7 percent and 1.7 percent for FY06. The rates for FY06 were significantly lower than were used by the previous administration and will likely continue to be updated as needed.

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The first six months' expenditures in FY04 showed the amount was \$14,703,018 compared to \$14,673,557 for FY05. The expenditures for August and October for FY05 indicated a much higher disbursement than in FY04. This was due to a different method of distribution the program is now using and if you average the 6 month period it shows a fairly equal amount of expenditures with the first six months of FY05 being slightly lower than 2004 by about .2 percent.

The total approved budget for the current fiscal year is \$38,545,565. Mr. Barr discussed that FY05 is the first year that we are using the "estimated" appropriation authority for distribution programs instead of the "re-appropriation" authority of previous years. The result is more focus on the current year's appropriation numbers and will be a better picture of what the program does each year. The current projections for FY05 indicated that the research program would likely be the only program that would need the estimated authority to be increased. This is due to research project obligations finishing up as well as the regular annual cycle of research projects approved by the commission.

The Governor's economic outlook for the rest of FY05 indicate that revenues will continue to be slower than expected. Gross Domestic Product will rise, employment would be up, and the CPI will remain low. This trend is expected to continue at least through the first half of FY06.

Mr. Barr briefly reviewed the state performance based budget process used since the early 1990s with executive orders and laws affecting. He described the budget process starting with the previous year's core budget as a baseline with performance results. Any increases are considered new decision items and must be justified and prioritized and tied to performance measures so as to stay within the Governor's conservative executive budget instructions. The executive budget is presented to the General Assembly to become a bill, normally initiated in the House. The bill is then reviewed by both committees in the House and the Senate with joint agreement and passing votes and then the back to the Governor for approval and signature into law.

Of the total Governor's recommended budget for FY06, DNR and Conservation make up only 2.4 percent of the overall state-operating budget. DNR receives very little general revenue because many programs have other dedicated revenue sources similar to the SWCP Soils Sales Tax. The Governor's recommended the budget for DNR for FY06 be reduced by \$360,260 from the approved FY05 totals. The reductions were primarily in Hazardous Waste in Underground Tanks Program funded programs and regional offices. The Governor recommended the

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SWCP budget with an increase in the District Assistance Grant Benefits of \$231,040, which was approved by the commission last summer. Mr. Barr stated that DNR's budget was in HB6 with sections for all programs including the SWCP. The direct program budget for SWCP for FY06 totals \$38,687,928. This amount included the increase for the district benefits and a redirect of \$98,180 by the Information Technology consolidation to the Office of Administration as directed by the Governor in his budget instructions. Mr. Barr then reviewed some agency wide and other department budget bills that included other costs for the SWCP program such as employee benefit payments, building use and maintenance costs and information management systems network expenditures.

The core budget for FY07 was then discussed as being similar to the current Governor's recommended budget for FY06 due to the conservative environment. The SWCP FY07 budget will include a request for the District Assistance Grants of an expansion of up to \$489,284, to meet district benefit projected minimum increases.

When asked what the total for FY07 for the districts benefits budget would include the expansion, Mr. Barr answered if the budget is approved, then the amount would be approximately \$1,800,000. Sarah Fast reiterated the program is not sure what the changes in the IT responsibilities will mean for the program and the department, but will advise the commission how it works. When asked if all the software was consistent within all the departments, Ms. Fast answered no, which is probably why the Governor is trying to make the departments more interactive in regard to software. When asked how the local soil and water districts tie into this, Ms. Fast answered that the program is working on the contract for the web based system, which would be a big step. When asked if a conversion had taken place yet, Ms. Fast answered no, the districts were still on the NRCS computers and network. Ms. Fast also stated there would be an investment cost for the infrastructure of IT work. When asked if there were any projections for the cost, Ms. Fast answered that the original projections for the contract from TIER was \$800,000 to \$900,000 for the total cost. Ms. Fast stated that bids had been put out. Mr. Barr stated two other bids had been received at the department and the costs are being reviewed by the purchasing officer. The program has received the business plans for the project and a group has been selected to review and recommend the best vendor for this part of the project. Ms. Fast stated that the amount that was estimated by the initial analysis from the TIER company a year or so ago was apparently a reasonably good estimate now that it appears that the other two bids close to or higher. The program will continue to keep the commission informed of the progress of the project.

D. REVIEW/EVALUATION

1. Soil Science Update

a. Introduction

Dean Martin presented an introduction of the soil science update. Mr. Martin stated that Dennis Potter would cover Phases I and II of the soil science update, Dr. Randy Miles and Dr. John Bowders would cover the soil characterization lab, and Bryan Mayhan will cover the web.

Mr. Martin stated that the Soil and Water District Commission's plan for the future was to complete the initial soils inventory by 2002, and evaluate the Missouri Department of Natural Resource's (MDR) role in updating the survey based on Major Land Resource Areas and in providing additional soil science assistance. The commission decided that their role would be to update the soil survey based on Major Land Resource Areas and provide assistance to districts, landowners, and others. Half of their time will be keeping the data up to date and the other half in providing soil science assistance. Some examples of assistance were watershed work, planning, and reviewing projects. Mr. Martin updated the commission on a staffing plan that included three Unit Chiefs (SS4s), 17 Soil Scientist SS1/2/3's. There are three Soil Scientists in each office except in Springfield and Columbia who have four each. He reported that at the present time, there are 20 Soil Scientists, which is less than the 30 positions in 1994. The Soil Scientists are located around the state, as opposed to being in individual counties. They are looking at the broader perspective of Major Land Resource Areas.

b. Phase 1 and Phase 2 Update – Dennis Potter, Natural Resources Conservation Service (NRCS)

Dennis Potter informed the commission that Missouri was a very diverse state with a very diverse soil resource base. Missouri consists of approximately 44,500,000 acres and over 5,000 different types of soil.

This kind of work takes a cooperative effort. Some examples are the Soil Sales Tax, commission, Missouri University (MU), Department of Natural Resources (DNR), and NRCS. Roger Hansen, from NRCS, strongly encouraged getting the soil survey done.

It took 50 years to complete the soil survey. The information received from the soil survey needs to be maintained to keep it working properly.

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Before remapping, the information received needed to be looked at and evaluated. The process used to evaluate the information was that every survey was reviewed. There are 106 surveys for the State of Missouri. Known deficiencies were looked at, laboratory data was looked at, map unit composition, and GIS technology were used to evaluate line placement, and field verification was done. After this was done, an executive summary was completed of all the evaluations. The results of the evaluations showed that, for their time and the purpose of the surveys, they were a good product. Because of more current needs, some enhancements would be needed.

After deciding what needed to be done, the partnership developed a new mission for soil survey. The emphasis, of the mission, was placed on user needs.

Phase I and Phase II are related to the maintenance of the data that was received from the soil survey. Phase I is a short term objective of one or two years. This phase is to refresh statewide spatial and attribute data with known information, to evaluate and identify opportunities to improve the initial soil survey product and to develop work plans to address long term objectives.

Phase II is a long term objective. The information from Phase I will be incorporated into Phase II. This phase is to maintain and update spatial and attribute data by conducting needed data collection activities, and to upgrade the entire state database to a common high standard. Phase II will identify needs, such as insufficient mapping for modern land use, regional mapping discrepancies among counties, or soils for which existing data are insufficient for modern land use demands.

Mr. Martin stated that the work planning conference would be March 31. This is where all the partners get together to discuss what they want to have and try to respond. In 2006, there will be a tour associated with the World Congress of Soil.

c. Soil Characterization Laboratory – Dr. John Bowders and Dr. Randy Miles, University of Missouri

Dr. Bowders informed the commission about the lab and what happens between the time the Soil Scientist takes the sample and when they get the

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data. The lab has been a partnership for over 20 years with DNR, NRCS, and the Soil Environment and Atmospheric Sciences Department.

The lab is a focal point of a larger effort. It is housed under the Institute for Interdisciplinary Geotechnics. The lab has a new ICP Unit for analyzing 70 to 80 elements from the soil. There is also a soils processing area where the soil is held, dried, and prepared before going to the analytical process. The lab employs 10-20 students that conduct the analysis. Dr. Miles stated the lab has the best set of facilities to run the analysis effectively, and efficiently. It is well organized and has sufficient space. The cooperation between the School of Engineering and Soils Environment and Atmospheric Sciences has provided opportunities to inter act. The lab has employed over 190 students since 1986, and the lab has analyzed between 5,000 and 10,000 soil samples. Dr. Bowders reported the lab is one of the most cost efficient labs around. Recent figures showed a \$70.00 cost per sample to run, but the figure could go up because some of the cost of chemicals and other associated materials to perform the analysis procedures are going up. The lab has a good turnaround time for soil samples compared to the National Lab, which has a turnaround time of 18 months.

Other supporting activities are the Midwest Field Trip for the 18th World Congress of Soil Sciences 2006. This is an international gathering of Soil Scientists. There will be collaboration at the national level with more interaction and more comprehensive analysis.

According to Mr. Bowders, the expanding geotechnical roles are large scale testing, such as modeling in the lab. They have also started a field experiment site on one of the MU Farms. A major project is the timber harvest effects on water quality that the lab has been working on with Missouri Department of Conservation (MDC).

The vision for the future for the lab is the greater need for the soils and land use information by a wide variety of individuals and professions. There is a greater need for information for many different land uses beyond traditional agricultural. Additionally, the growth of third party professional inspectors will need a more diverse and comprehensive database to make proper inspection assessments. Therefore, the data from the lab will need to be more comprehensive for some sections of the state where little data currently exists made more available.

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d. Center for Agricultural Resources and Environmental Systems (CARES) – MO Cooperative Soil Science Web Page – Bryan Mayhan, University of Missouri

Bryan Mayhan stated that the Missouri Cooperative Soil Science Web site has been around for approximately eight years. It has been a delivery system of soil survey information. The goal of the web site is to serve the general public with soils information. They work with engineers, consultants, and soil scientists. The range of use for the information is large. The web site address is www.soils.missouri.edu. This web site can be accessed by anyone in the world who wants to find out information about Missouri soils. The purpose of the soil survey was to gather information about soils, classify the soils, draw maps, and develop interpretations of the soils found on the landscape. An individual can go to the web site and get maps of the area they are looking at and find out if it will support their plan. Each map or information request can be as detailed as the user would want or need. Mr. Mayhan stated that there had been over 900,000 hits in the last year and 1,800,000 hits since tracking began in August 2002. Mr. Mayhan reported that they are about to publish their online Missouri atlas for printing or downloading. This will incorporate all the new Phase I updates when they become available. They will also support Missouri Soil Scientists in their Phase II efforts.

Sarah Fast stated that for FY06 the soil science budget was approximately \$1,600,000, which included support for the activities that were talked about in the soil science update. Roger Hansen stated that none of this could have been done alone, only through partnerships. Each partner provides unique abilities and funding to make it work.

E. PLANNING - Continued

1. Proposed Research on Estimating the Local and State Economic Benefits of the Soils Sales Tax and Developing Recommendations for Future Efforts – Dr. Verel W. Benson, Food & Agricultural Policy Research Institute

Dean Martin introduced Dr. Verel W. Benson who talked on the economic benefits of soil and water conservation. This was a request made by the program to develop information similar to what Parks had available.

Dr. Benson proceeded to provide an overview of the proposal. First what has to be done is quantifying economic and environmental factors. The

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goals of the assessment are to evaluate the effectiveness and benefits of the Missouri Soils Sales Tax dollars and also look at ways to develop recommendations to make them more effective in the future for water quality, soil conservation, and rural enhancement. The plan has four components: the regional economic assessment by CPAC; environmental assessment at a field or small watershed by FAPRI; the farm level economic assessment by FAPRI; and a regional expert panel assessment.

The regional economic assessment will use a social economic benefit assessment system to estimate regional economic impacts. The system would use a multi-region social accounting format. A model will be designed for selected counties that have high concentrations of conservation-funded programs. Each model will estimate the local county and statewide benefits.

The environmental assessment looks at wind and water erosion, nutrient movement, and carbon sequestration impacts. The model is a set of mathematical equations that will provide quantitative decisions regarding water quality information and the effects of land use on water quality, while analyzing the impacts of management practices on water quality. The model will use weather, erosion, crop growth, fertilization, irrigation, and other components to address the complete system. Dr. Benson proceeded to show the commission different simulations in regard to CRP.

The farm level economic assessment would use representative farms to establish what the financial conditions are for certain kinds of farms. They would use actual farms in developing farm-level economic assessments. They look at future scenarios, and ten-year projections to see what could happen. Dr. Benson reported that there are 42 representative farms in Missouri. These would be used to evaluate the farm-level economic effect.

The regional expert panel assessment goals are to integrate the values of different types of stakeholders into a joint assessment, expand stakeholder and agency knowledge, establish a buy-in to the results of the study, and to build a coalition of interested parties. The key is to get the different perspective to do a comparison. The panel will work with the water resource center to develop natural resource evaluation worksheets. These worksheets would be similar to the analysis that NRCS did in addressing soil, water, air, plants, and animals.

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Dr. Benson covered the budget of staff hours. The total number of proposed hours was 7,500. This was linked to the actual salaries and benefits of the individuals at the university for a total of approximately \$298,787.

When asked if this would include water quality benefits, Dr. Benson answered this was one of the goals of the project. When asked if individual practices were going to be looked at, Dr. Benson answered the practices, such as terraces and buffers. Each of these could be looked at to investigate impacts on sediment. In response to the water quality aspects, Dr. Benson stated they could with APEX, in that they could look at ponds in terms of building ponds at certain locations would capture nutrients before they leave the field. When asked how this would tie to another research project that the commission put money into, Dr. Benson answered the SWAT model was specifically looking at practices and the effects. What Dr. Benson was proposing was a more detailed analysis in terms of farm field analysis. The idea would be to combine and use both projects. Dean Martin stated they plan to build on the work of the other project, not replicate it.

When asked what progress had been made in water quality in the SALT projects, Dr. Benson stated they have watershed models going. Sarah Fast stated that the researchers had offered to attend the next meeting to give an update on that research.

When asked about the potential for getting all the other partners involved in order to get a more complete model, Dr. Benson answered he had not specifically talked to some of the other partners about the proposal, but he would expect them to be cooperating because they would be using the same database. Ms. Fast asked if the commission would want the program to look at setting up something to be more cooperative with the other partners before proceeding, Elizabeth Brown answered she hoped so. Ms. Fast stated this was brought to the commission at this time for discussion.

When asked about the funding side, Mr. Martin stated the proposal would be for \$298,787 and that would nearly use up rest of the research money available through the short time left before the end of the tax. Dr. Benson stated that he was under the impression that the commission needed the information sooner versus later, and that was where the proposal came from in consideration of the time frame the commission needed. He also

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stated FAPRI had designed something they thought they could deliver with the things that were already ongoing and with the potential to expand. Ms. Fast stated the thought was to use this data with the tax renewal efforts. When asked about bringing partners in on the research side, Ms. Fast answered that was an issue of timing. When FAPRI was approached, they were trying to have something that would be available approximately next spring to be available for renewal discussions. Mrs. Brown thanked Dr. Benson for his report. Larry Furbeck stated he would like to look at the involvement of other partners. Ms. Fast stated the work had been more with FAPRI in regard to their ongoing work. She also stated that she was uncertain other partners would be willing to provide additional funds at this point.

John Aylward made a motion to accept the proposal with administrative modifications as determined by staff. Larry Furbeck seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

2. Missouri Department of Conservation (MDC) Private Lands Division Update – Lisa Allen

Lisa Allen presented an update on the Department of Conservation's Private Land Services (PLS) Division. She thanked the commission for the opportunity to talk about MDC programs.

Ms. Allen stated they work closely with the soil and water conservation districts (SWCDs) and NRCS. She pointed out that almost all their field staff is located in NRCS offices. MDC has been providing assistance to private landowners for a number of years. The state consists of 93 percent private landownership and 7 percent public ownership.

The PLS Division was started in 2000 with 80 employees dedicated to working with private landowners. The PSL Division's mission is to help Missouri landowners achieve their land use objectives in ways that enhance the conservation of Missouri's natural resources. Their principles are to develop positive relationships and trust with landowners; enhance outreach to all types of recreational, commodity agriculture and urban landowners; continue development of conservation partnerships with non-governmental organizations, agencies and other partners; be accountable for expenditures MDC resources to ensure public resources are used

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efficiently to enhance conservation; and to provide timely and responsive public service.

PLS provides diverse services to landowners such as landowner assistance, wildlife damage control, grassland and prairie issues, wetland technical assistance, community conservation, and technical authority for NRCS programs.

MDC spends approximately \$850,000 a year on landowner cost-share for habitat management. Some of the practices are prescribed burning, wetland development, stream enhancement, woodland improvement, and fencing. In a four-year average, the three practices that received the most funding were the LAWS Program, which is Landowners Assisting Wildlife, at \$170,349; the herbaceous vegetation control and establishment at \$94,829; and the last is WHIP and food plot seed at \$82,005. Some new programs that target specific geography, resources, and management opportunities are the Southeast Missouri Pilot Idle Land Program, the Missouri Agricultural Wetland Initiative, and CRP-BOB (enhancement of CRP grassland for bobwhite quail).

Two initiatives for FY06 are the development of Regional Landowner Advisory Councils, and Regional Quail and Grassland Bird Recovery Plans.

F. REVIEW/EVALUATION - Continued

1. Land Assistance Section

a. Special Area Land Treatment (SALT)

1. Discussion of Animal Mortality Incinerator Policies

April Brandt presented a review of the N316 Incinerator policy. At the November 29, 2004 commission meeting, the commission approved the request to add incinerators to the list of eligible practices for the AgNPS SALT Program and asked staff to develop a policy and bring it to the commission for final approval.

A meeting was held December 16, 2004 with NRCS staff to discuss incinerators and feed and waste management structures. NRCS indicated the standards and specifications for N316 Animal Mortality Facility had been released in September 2004, making this a new NRCS practice. They reviewed how this practice was being administered through the EQIP program. Program staff

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made visits to two farms that had installed this practice through EQIP and visited with technical staff in those counties prior to drafting the policy.

The policy stated the incinerator and a concrete pad, up to 10 feet by 12 feet, would be eligible for cost-share assistance at 75 percent of the county average cost, or the actual cost, whichever is less. EQIP currently cost-shares at 50 percent of the estimated cost. Cost-share would not be authorized for constructing a roof over the unit, fuel storage, or fuel and electrical hookup to the incinerator. A landowner would be eligible to receive SALT cost-share on either an N316 Incinerator or N317 Composting Facility, but not both.

NRCS does not have any established guidelines for construction of a roof over these units. If a roof is built, it is not being paid through EQIP funds. If NRCS establishes guidelines for roof construction, Ms. Brandt stated she would anticipate requests for the commission to cost-share on the roof over incinerators with SALT funds.

On February 7, 2005, NRCS reviewed the draft of the policy and made only a minor change to the wording.

Philip Luebbering made a motion to approve the proposed policy for the N316 Incinerator practice. Leon Kreisler seconded the motion.

When asked what the cost was for cost-share, Ms. Brandt answered that Miller County estimated approximately \$6,000 for a 400-pound capacity unit for a poultry operation, which at 75 percent, would be approximately \$4,500 in cost-share funds. Roger Hansen stated that as the pound capacity of the incinerator increases, so does the cost of the unit. When asked what was being spent on composters, Ms. Brandt stated they were a little more expensive and average about \$9,959 with the estimated cost-share of \$7,469. When asked if they were going to limit the amount they were willing to spend on an incinerator, Ms. Brandt stated that they were not proposing a limit or cap, but that they would use 75 percent of the cost of the unit and the cement pad. Ms. Brandt stated the proposed policy indicated that it is only for incineration of animal

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carcasses. When asked if this was within the commission statute, Sarah Fast stated it was part of the SALT project. When asked if these were for only swine and poultry, Ms. Brandt stated they would be applicable for all livestock right now. She said that typically EQIP uses half in swine and half in poultry, but may have one dairy interested if a large enough unit can be manufactured. It was discussed that the number of renderers are decreasing and there may be more interest by dairies since downer cows can no longer be taken to the sale barn. When asked if the commission needed to look at a maximum dollar amount on this, Ms. Brandt stated that it could be looked into if the commission wanted, but she did not think it was going to be a practice that would be utilized in all the SALT projects. When asked if there was a cap on composters, Ms. Brandt answered there was not.

When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

G. REQUESTS

1. Land Assistance Section

a. Special Area Land Treatment (SALT)

1. Ray SWCD – Extend Deadline for Submission of AgNPS SALT Grant Application

Ken Struempf presented a request from Ray SWCD asking to extend the deadline for submission of an AgNPS SALT grant application.

Mr. Struempf proceeded to cover the timeline of the events leading up to the request for the late submission.

The Mud Creek Headwaters AgNPS SALT preliminary application was reviewed by program office staff and approved to proceed with preparation of the final application in October 2004. A letter sent back to the district indicated that the final application must be postmarked or received in the program office by February 4, 2005. The letter also noted that any district not meeting this deadline would not be considered.

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Mr. Struempf assigned April Brandt to the project to assist the district in preparation of the final application. Ms. Brandt contacted the district and set up a joint meeting in November between Caldwell and Ray SWCDs to ensure personnel at both districts heard program staff comments on the preliminary application and that both districts were aware that an MOU was required by the commission between the counties to lay a foundation for how the SALT project would be implemented between the two counties. The MOU would cover such things as who would provide technical assistance, how much cost-share money each county would receive, reporting procedures, information/educational activities, newsletters, equipment purchases, etc. Ms. Brandt also discussed eligible expenses for the planning grant. Ray SWCD received \$2612.50 for the planning grant.

On December 9, 2004, the Ray SWCD board unanimously voted to withdraw the application for the Mud Creek Headwaters project. The district noted that landuse changes, cost-share funds, future opportunities, and staffing requirements were all considered in the decision to withdraw the application.

During December and January, program staff was made aware that the counties were having problems working together after the Ray SWCD board made the decision to withdraw the application. After becoming aware of this situation, staff informed the Ray SWCD board that it would be their board's decision if to go forth with preparing a final application. Caldwell SWCD was not eligible to apply for this watershed without Ray because of making application in another watershed in their county. Commission policy only allows a district to apply for one project at a time.

On January 29th, 2005, Jeremy Redden, the district coordinator, was copied on a letter sent by the Chairman of the Ray SWCD board to landowners in the area. The letter reiterated the fact that the districts were having differences and due to lack of clerical and technical assistance, the district was not applying for the SALT project at this time. The board offered the landowners an opportunity to discuss the decision at the February 10th board meeting. The board indicated in the letter that this board meeting

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would be held after the final applications were due in the program office.

On February 4, the same day that the final applications were due, the program office received a letter from the Ray SWCD board dated December 21st returning \$2, 612.50 of the planning grant funds. The letter reiterated the concerns that the board had at the December 9th meeting.

On February 10th (6 days after the deadline for SALT applications), the board held its regular monthly meeting attended by the landowners residing in the watershed. The program office received a letter from the board on February 14, 2005, indicating the landowners attending the February 10th meeting convinced the board to reconsider the AgNPS SALT grant application. The letter requested that the commission extend the deadline to February 28, 2005, to allow for submission of the final application.

For the seventh call, the program office received 22 applications for the AgNPS SALT grant by the February 4th deadline. Mr. Struempf stated that the commission would be able to approve seven to eight projects with unobligated money received from the SALT appropriation. Mr. Struempf also stated that staff was continuing to review numbers to see if there would be enough obligated money returned from other projects to possibly approve one or two additional projects for a total of eight to ten projects.

The SALT review committee is scheduled to meet and discuss the final applications on March 21st and March 22nd. The final applications have been sent to all the reviewers so they can begin the review process in preparation of these two days.

State Representative John Quinn stated that he had served on his local soil and water conservation board for eight years. He had just been made aware of this issue and he asked the commission to consider the problem of working with two different counties. He would like the commission to give both counties an opportunity to apply. He realized it would be extending the deadline. He informed the commission that this area needed more water and structures, due to it being a very dry county.

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When asked what assurance the commission had in regard to the two boards working well together, Rep. Quinn stated that he hoped they would. Steve Oetting stated the conflicts between the boards had been worked out.

Jon Dana, a Ray County landowner and district board member, thanked the commission for hearing the issue. Mr. Dana informed the commission there was tremendous landowner support in the area where the project was scheduled to be. Mr. Dana discussed problem, but he reiterated that the issue had been resolved.

Stephanie Ross, Ray SWCD District Manager, stated the offices were trying to handle the problem. The conflicts came about because of personnel handling the issue. Since then, the two boards have met jointly and solved the communication problems between the board members.

When asked if Caldwell's application by its self had been received, Mr. Struempf stated that it had been received by the deadline for a watershed within that county. Sarah Fast stated that if an extension was approved, the commission would have 23 projects instead of 22 to review and still could only approve eight to ten projects. When asked if both projects could be approved, Ms. Fast indicated it would depend on the ranking of the projects. Mr. Struempf stated that the commission allows only one county to apply for one project at a time. For this joint project, Ray SWCD would be the administrating county. In response to a question if any other county was in the same situation, Mr. Struempf stated that not to his knowledge, and this was the first time this had happened through seven calls. John Aylward reiterated that if the date was extended, that did not mean Ray County would get the SALT project. Mr. Struempf again confirmed that Ray SWCD would have to go through the same review process. When asked if Ray's application was far enough along to be put in with the rest, Mr. Struempf stated they would still need an MOU signed by both boards, a final application was still needed, and that Ray SWCD would have to get with their partners to discuss what kinds of contributions others would have toward the watershed. Zora Mulligan stated this exception might not be legal, and asked if she

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could have a month to find out. Ms. Fast stated the deadline was a commission policy, not impacting any rule or statute.

Larry Furbeck made a motion to approve the requested deadline of February 28, for Ray SWCD. John Aylward seconded the motion.

Philip Luebbering stated his concern was that a deadline had been set, the commission had stuck to it, and there is a reason for it.

When polled, John Aylward voted in favor of the motion and Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted against the motion. Failing to receive a majority of favorable votes, the motion did not carry and current policy remained in force.

2. District Assistance Section

a. Supervisor Appointments

1. New Madrid

Chris Evans presented a request from the New Madrid Soil and Water Conservation District to appoint Joe Woolverton to fill the unexpired term of Hugh Landers.

Larry Furbeck made a motion to approve the board's request. Philip Luebbering seconded the motion. When asked by the chair, John Aylward, Larry Furbeck, Leon Kreisler, Philip Luebbering, and Elizabeth Brown voted in favor of the motion and the motion carried unanimously.

b. Cost-Share

1. Monthly Cost-Share Usage and Fund Status Report

Noland Farmer reported that districts have been allocated approximately \$24,000,000 for use in the present fiscal year. It was projected that only \$20,000,000 of the allocated funds would be claimed. The projection was based on amounts claimed in previous years in relation to the total allocations made available to the districts.

As of January 31, \$6,800,000 in claims had been processed, which was \$1,700,000 short of what was projected.

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As of February 16 the program office had received \$7,400,000 in claims, which is less than the \$9,000,000 claimed for the same time last year.

H. REPORTS

1. MASWCD

Steve Oetting updated the commission on activities of MASWCD. The NACD conference was held in Atlanta, Georgia, with Steve Oetting and Peggy Lemons in attendance.

Mr. Oetting stated that then new NACD President is Bill Wilson from Oklahoma, 1st Vice-President is Tim Reich from South Dakota, 2nd Vice-President is Olan Simms from Wyoming, and Secretary/Treasurer is John Reddy.

MASWCD's Legislative Seminar will be held March 9 and 10, with a board meeting scheduled for the afternoon of the 9th. On the morning of the 10th there will be a gathering at the Capitol to visit with legislators.

2. Missouri Department of Agriculture

Dan Engemann stated that after the January meeting, he was approached about CREP and a meeting was held with program staff and Fred Ferrell, Director of Agriculture, to discuss the program. Mr. Engemann informed the commission that his director and deputy director were meeting with Farm Service Agency to discuss the CREP Program in greater detail.

3. Legislative

Bill Wilson presented a brief update on state legislation. Senate Joint Resolution (SJR) 1 modifies the state constitution, upon voter approval, regarding the renewal of the Parks and Soils Sales Tax. On January 26, there was a hearing before the Senate Agriculture, Natural Resources, Conservation, and Parks Committee where Larry Furbeck testified in support of the resolution.

Mr. Furbeck stated it was obvious that the people there were very much in favor of the resolution.

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On February 2, 2005, SJR1 was voted Do Pass by the committee and was third on the Senate Formal Calendar for Senate Bills for Perfection, which indicates that the joint resolution is close to being heard by the full Senate.

House Bill (HB) 455 eliminated the requirement that landowners actually live within the watershed district in order to be elected to serve as trustees of the watershed. On February 7, 2005, this bill was read for the second time in the House of Representatives.

4. STAFF

Sarah Fast introduced Lindsay Tempinson, who is the new public information specialist for the program.

Ms. Fast also informed the commission about the recently completed State of the Environment Report and new Resource Review Magazine that contained an article about the Parks and Soils Sales Tax. Copies of those materials were provided.

I. DATE OF NEXT MEETINGS

The commission was asked if they would want to meet without Chairman Brown, who will not be available for the next commission meeting. Leon Kreisler stated he would not be present either. When asked about alternative dates, Larry Furbeck asked if there were any issues that could not be handled with a phone conference. Ms. Fast stated the major issue was the Osage County decision. It was decided to get a date for a telephone conference call.

The May meeting was tentatively scheduled for Tuesday, May 24, 2005, in Jefferson City, Missouri.

J. PUBLIC COMMENTS

Due to no comments the meeting proceeded.

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K. ADJOURNMENT

Larry Furbeck moved the meeting be adjourned. Philip Luebbering seconded the motion. Motion approved by consensus at 1:56 p.m.

Respectfully submitted,

Sarah E. Fast, Director
Soil and Water Conservation Program

Approved by:

Elizabeth Brown, Chairman
Missouri Soil & Water Districts Commission

/tm